

NORTH CENTRAL COMMUNITY SERVICES PROGRAM BOARD EXECUTIVE COMMITTEE

June 28, 2017 2:30 PM North Central Health Care – Board Room

Present: X Jeff Zriny X Jean Burgener

X Via Robin Stowe X Bob Weaver

video

Others present: Michael Loy, Sue Matis

Chairman Zriny called the meeting to order at 2:40 p.m.

Roll Call

Roll call noted.

Public Comment for Matters Appearing on the Agenda

• No public comment(s) made.

Review the Role of the NCHC Executive Committee Per the Agreement for Joint Sponsorship of Community Programs Section V (D) 3.B & VI (K) 4 f ii 2

- Discussed timelines for recommending final approval of the CEO compensation to respective county boards. Retained County Authority Committee (RCA) would like to present the name of the potential CEO to the three county boards no later than the March 2018 board meetings.
- Concern expressed that there is currently a significant difference of opinion between the RCA
 and Executive Committee in what the compensation should be which will affect the ability to
 begin the recruitment process. Compensation is tied to two different visions of the role of this
 position i.e. county department head vs CEO of a health care organization.
- NCHC is a quasi-governmental health care organization rather than a county department and
 provides services in three counties (not one) plus it provides a psychiatric inpatient hospital, and
 employs psychiatrists in addition to many other clinical professionals. All needs to be
 considered when determining the compensation and recruitment of the CEO.
- S. Matis researched several other county operations/compensation plans and did not find another county/organization similar to NCHC in size and structure.
- When reforming a compensation plan all must understand the potential consequences to the changes i.e. more turnover, uncertainty, etc. Concern expressed that if the RCA wants to treat NCHC like a 'county department' the current experienced and key staff may not stay which could result in declining services.
- In the mid 1990's the role of Executive Director was eliminated and the role of CEO was created with a compensation of about \$110,000. In 2008 the new CEO was hired at a range around \$160,000. Based on market response and compensation review, in 2011 the Board changed the CEO compensation to about \$230,000. Last year when the recruitment for CEO began the consultant recommended a range between \$250,000 and \$260,000 with the current market over \$300,000. If the Board hadn't changed the compensation level in 2011 and the normal adjustments had been made, the CEO compensation would at about \$190,000 today.

Executive Compensation Plan

- In 2016, a CEO compensation study from QTI recommended a starting wage of \$260,000 with a midpoint of \$338,000. Their sources were a combination of mental health services, skilled nursing facilities, health and human services, community services, LeadingAge, etc. as they could not find an organization similar to NCHC for direct comparison.
- A document of compensation ranges for the entire organization, including Executives, was distributed and reviewed.
- It was noted that a county department head does not have the level of responsibility as the CEO for NCHC i.e. technology, billing, human resources, residency program, etc. along with the magnitude of the organization.
- The Executive Committee will provide the following to the RCA:
 - o a detailed compensation range with explanation of philosophy and justification
 - o differences between health care and county government
 - o an explanation of NCHC's business model and scale of business vs government
 - o NCHC mission statement vs traditional government
 - o NCHC service delivery model
 - o core requirements of Wisc. Statutes 51.42 and current budget
 - explanation of 'other' services that are choices to support the core services which
 provides a means to be efficient and effective in managing all services (NCHC both
 manages and provides services where other agencies do not.)
- **Motion**/second, Burgener/Weaver, to forward the compensation plan as approved by the NCCSP Board at the May 2017 meeting. Motion carried unanimously.

<u>Chief Executive Officer Job Description</u>

- Job description provided was developed by Brad Karger, Lance Leonhard, and Chad Billeb.
- Following discussion, the Committee did not agree with the language highlighted in 'red' and recommends striking the additions.
- Committee recommends adding the term 'quasi-governmental health care' in the first line to read: North Central Health Care (NCHC) is a Tri-County quasi-governmental health care organization that was formed from three Central Wisconsin Counties – Langlade, Lincoln and Marathon.

Timeline and Process for CEO Selection

- If CEO job description and compensation are approved at the July meeting the search process would begin in August.
- RCA wants final CEO recommendation and county approval by March 2018.
- Do we use an Executive Search firm or do on our own? Too early to determine.

Next Meeting Date

- July 13, 2017, 4:00 p.m. next scheduled Executive Committee meeting
- July 18, 2017, 2:00 p.m. next scheduled RCA meeting
- Agenda will include: revise job description, document describing differences between NCHC and county department

Adjourn

• Motion/second, Burgener/Stowe, to adjourn the meeting at 4:13 p.m. Motion carried.